

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 3/17/2015	(3) CONTACT/PHONE Kate Ballantyne, Environmental Programs Manager (805) 788-2765	
(4) SUBJECT Update on the Los Osos Wastewater Project; request to approve a professional services agreement for environmental consulting services with Kevin Merk Associates, LLC, for an amount not to exceed \$435,992; and authorize the Director of Public Works to sign amendments to the Agreement in an amount not to exceed the contingency amount of \$43,599. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Accept the project update from staff; 2. Approve and execute the attached agreement for environmental consulting services with Kevin Merk Associates, LLC, for restoration and habitat enhancement services at the Broderson site as part of the Los Osos Wastewater Project in an amount not to exceed \$435,992; and 3. Authorize the Director of Public Works to sign amendments to the agreement in an amount not to exceed the contingency amount of \$43,599. 			
(6) FUNDING SOURCE(S) Fund Center 430	(7) CURRENT YEAR FINANCIAL IMPACT \$479,521.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. 45 min)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001506		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 10/28/14, #15	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 15MAR17-BB-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Kate Ballantyne, Environmental Programs Manager
John Waddell, Los Osos Wastewater Project Manager

VIA: Mark Hutchinson, Deputy Director of Public Works

DATE: 3/17/2015

SUBJECT: Update on the Los Osos Wastewater Project; request to approve a professional services agreement for environmental consulting services with Kevin Merk Associates, LLC, for an amount not to exceed \$435,992; and authorize the Director of Public Works to sign amendments to the Agreement in an amount not to exceed the contingency amount of \$43,599. District 2.

RECOMMENDATION

It is recommended that the Board:

1. Accept the project update from staff;
2. Approve and execute the attached agreement for environmental consulting services with Kevin Merk Associates, LLC, for restoration and habitat enhancement services at the Broderson site as part of the Los Osos Wastewater Project in an amount not to exceed \$435,992; and
3. Authorize the Director of Public Works to sign amendments to the agreement in an amount not to exceed the contingency amount of \$43,599.

DISCUSSION

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allows the County, at the Board's discretion, to assume responsibility for development of a wastewater Project (Project) for the community of Los Osos. Since 2006, environmental permits and funding approvals have been obtained, and on March 15, 2011, your Board adopted the Due Diligence resolution to assume responsibility for the Project and proceed to Project completion.

Project Update

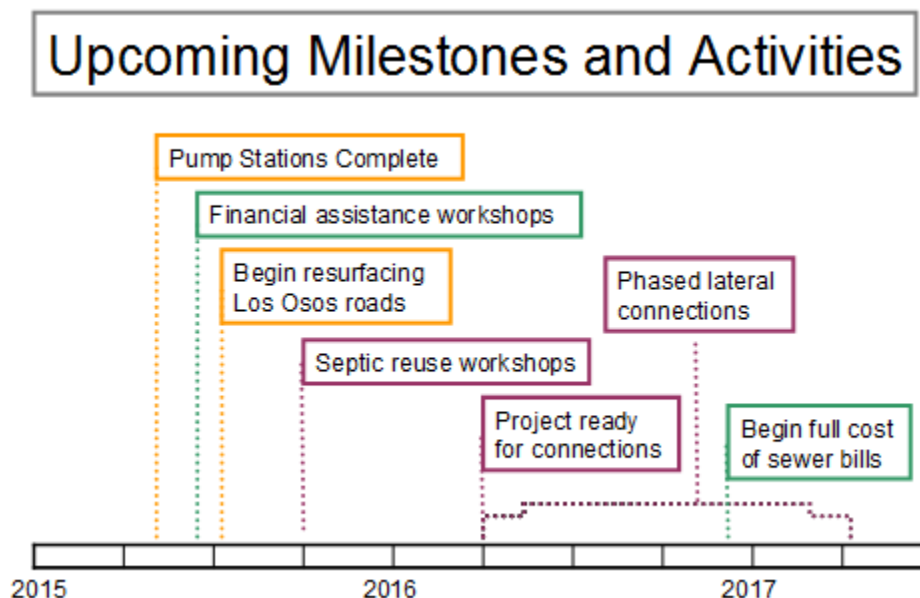
Construction of the Project began in May 2012 and has been in progress since that time. The Project includes five construction contracts and implementation of multiple plans and programs that are required to mitigate potential environmental impacts. The two collection system pipeline contracts were the largest portion of the construction, as 49 miles of pipelines and related facilities were

installed over the course of two years. The pipeline contracts were completed in September 2014, and the majority of Project efforts are now focused on construction of the water recycling facility. Staff and the community are also planning for Project start-up and lateral connections which will begin in early 2016. Each sewer lateral connection will be completed by the individual property-owner. The existing septic systems can then be repurposed to provide sustainable water resources benefits or may be abandoned in place. Community outreach is ongoing and updates to your Board and community workshops are planned to begin later this year.

The water recycling facility is approximately 35% complete. It is planned to be tested and ready for the start-up of wastewater flows in March 2016. The contract will then continue for several more months as flows increase and all components receive final testing and the facility is commissioned.

Construction Contract Status		
Contract Description	Contract Value	Progress
Mid Town Restoration	\$400,000	100% Complete
Area A&D Pipelines	\$28,846,000	100% Complete
Area B&C Pipelines	\$32,367,000	100% Complete
Pump Stations	\$9,544,000	97% Complete
Water Recycling Facility	\$50,602,000	35% Complete

Major construction is planned to be completed in one year, after which homeowners will complete the work required on their properties to connect their sewer laterals to the Project. The connection process will be done in phases and is planned to take about one year, continuing into 2017. The following chart provides a summary of major steps and public outreach workshops regarding Project completion and connection of sewer laterals.



Plans and programs for environmental mitigation primarily address water resources and habitat issues. The Habitat Management Plan discussed below is the most significant habitat related program to be implemented by the Project. The water conservation program provides important water resources benefits to the community while reducing wastewater flows to the Project. The water conservation program includes rebates to property owners which cover costs for installation of new low-flow fixtures. The goal of the program is to reduce indoor water consumption to 50 gallons per person per day.

A recycled water program is also a major part of the Project's development. The water recycling facility will produce tertiary recycled water meeting CA Title 22 standards. All of the wastewater collected from the community will be reused in Los Osos for irrigation or returned to the groundwater basin. The water conservation and recycled water programs are part of a larger water management plan which includes groundwater monitoring and reporting that will help maintain the overall sustainability of the water quality and supply in Los Osos.

Project affordability is a long standing concern for the community. To date, the County has secured over \$21,600,000 in grants for the Project. These grant funds are applied to general Project costs and benefit all property owners by reducing their overall costs. Staff has also identified several programs to provide financial assistance low income individuals. The programs include existing State and Federal programs, as well as County programs that are being developed by staff and are planned to be presented to your Board for approval in the coming months.

The financial assistance programs provide for deferral or discounts of Project costs, which are charged on property tax bills, in addition to grants and loans to assist with the cost of connecting sewer laterals on individual properties. Eligibility for each program varies, but they will generally be available to low income, seniors, and disabled residents. Community outreach and financial assistance workshops are planned for later this year in order to help residents determine what funds they are eligible for and prepare applications.

Habitat Management Plan Requirement

As the operator of the Project, the County was issued a Coastal Development Permit (CDP) in June 2010 by the California Coastal Commission. Special Condition 3 of the CDP (Application Number A-3-SLO-09-055/069) required the preparation of a Habitat Management Plan (HMP) to provide mitigation for the Project's unavoidable impact to 8.55 acres of environmentally sensitive habitat areas. The HMP defines restoration, enhancement, management, and protection of the 80-acre Broderson site, 12-acre Midtown site, roughly 8-acre habitat/buffer area at the Giacomazzi site, and approximately 0.55 acre at three pump station sites for a combined HMP area of roughly 100 acres at the six sites (refer to Location Map). In 2010 the County contracted with SWCA Environmental Consultants to develop the HMP for the Project. That work culminated in July 2012 when the Coastal Commission approved the HMP.

Special Condition 3b of the CDP requires that the HMP be implemented concurrent with construction of the approved Project, be directed by qualified restoration ecologists, and initial HMP implementation activities (including at a minimum initial planting and non-native/invasive plant removal pursuant to the Plan) be completed prior to commencement of operation of the approved Project. This 5 year contract is for the work associated with the 80-acre Broderson property. HMP-related restoration activities at the Midtown site and at the three pump station sites are currently being conducted by County staff.

KMA, LLC. Contract to Provide Habitat Restoration and Enhancement Services for Broderson Site

In response to a Request for Proposals prepared and distributed by the County in October of 2014, Kevin Merk Associates (KMA), LLC was selected as the most qualified firm. Proposals were received from three consulting firms. After reviewing the firms' qualifications and meeting with KMA Project managers, it is evident that KMA, LLC is qualified to conduct habitat restoration and enhancement services as required in accordance with the HMP, and will provide the best combination of issue expertise, local experience, value, and local presence.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel is providing legal guidance on all aspects of the Project and has approved the attached agreement as to form and effect.

The U.S. Department of Agriculture (USDA) and State Water Board are jointly financing the Project and provide oversight of engineering and consulting agreements.

The Broderson site is known to contain the federally protected Morro shoulderband snail, and all restoration work must meet the requirements of the U.S. Fish and Wildlife Service Biological Opinion for the Project.

Numerous other County departments and local agencies are involved in other Project related efforts, which include preparation of a community Habitat Conservation Plan (Department of Planning and Building), an update to the Local Coastal Plan (Department of Planning and Building), and development of solutions to the community's groundwater basin overdraft which is causing sea water intrusion (Golden State Water, Los Osos Community Services District, and S&T Mutual Water Company under the jurisdiction of the San Luis Obispo County Superior Court).

FINANCIAL CONSIDERATIONS

The proposed agreement for Kevin Merk Associates of Los Osos is for a total compensation amount of \$435,992. It also provides for authorization of future change orders not to exceed an amount of \$43,599.

The recommended agreement is for services necessary and planned as a condition of the Project's Coastal Development Permit. The costs, including contingencies, are included in the Project budget, which was approved by your Board on May 17, 2011.

RESULTS

Approval of the recommended actions will allow the County to retain the environmental consultants necessary to implement the HMP-related restoration work at the Broderson property as required by the Project's Coastal Development Permit, and continue progress toward the community wastewater project for Los Osos.

File: Los Osos WWP 300448.00.1.4

Reference: 15MAR17-BB-1

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ATTACHMENTS

1. Location Map
2. Exhibit A – Project Cost to Date
3. Agreement for Professional Services